



The President's Daily Brief

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DAILY BRIEF
17 MARCH 1967

1. Communist China

Two more politburo members--the finance minister and state planning chief--have come under attack in Peking, but they are not being hit as hard as agricultural specialist Tan Chen-lin. Like Tan, however, both work for Chou En-lai.

Chou could also have been the indirect target of a recent Shanghai editorial condemning critics of the Red Guard. It said flatly that those who attacked the Guards for their relatively few mistakes are enemies of the "Cultural Revolution."

posters in Peking defending Chou, suggesting that his supporters fear he himself--and his influence for rationality--may be coming under attack.

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2. Vietnam

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3. South Vietnam

Premier Ky, while still very much a candidate, seems to be shying away from seeking military endorsement for the presidency. There are signs that he may instead try to organize civilian support for his candidacy.

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We cannot be sure that Ky will actually try to follow this course, but if he does, it will jar the precarious unity maintained thus far in the Directorate and threaten the political stability of the past 20 months.

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4. Ethiopia

The Ethiopians are getting edgy as Sunday's referendum on French Somaliland approaches. They swear up and down that recent troop movements have been for contingency purposes only, but their suspicions of the Somali Republic seem to border on the paranoid.

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The Ethiopian prime minister, for example, claims leaders of the Somali tribesmen in French Somaliland are ready to spark an independence drive whichever way the referendum goes, and the Somali Republic is ready to help them. This could be true

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Ambassador Korry still thinks Addis Ababa is planning no offensive action. However, misinterpretation of Somali military movements, fear that Nasir may be egging the Somalis on, and a general tendency to flap in a situation like this have all reinforced Ethiopian fears of being a "Christian island in a Moslem sea."

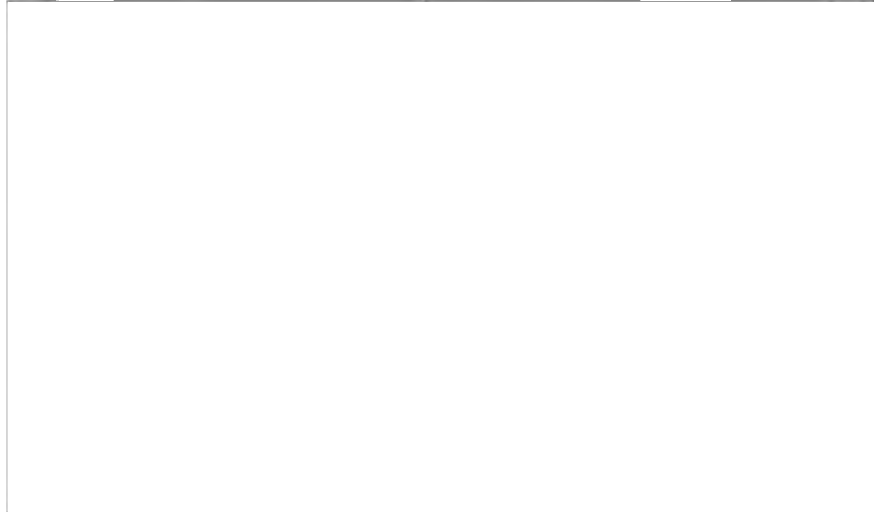
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5. Tunisia

President Bourguiba appears to have weathered a serious coronary attack; his French specialist says his recovery prospects are excellent. Nevertheless, Bourguiba's son has gratefully accepted the US offer to send heart specialist General Thomas Mattingly.

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6. West Germany - Poland



7. Indonesia

Acting President Suharto, now that Sukarno can no longer snap at his heels, has set economic improvement and the election of a new congress by mid-1968 as his major targets.

On the economic side, Suharto faces staggering problems. A stabilization plan slowed inflation during the last quarter of 1966, but increased government expenditures and seasonal rice shortages have again spiraled prices upward. Moreover, the civil service is badly overgrown and underpaid; to make ends meet, it has to violate the very economic control measures it is supposed to enforce.

Another serious problem will be growing strains on Suharto's government as its civilian members become more restive under the army's pervasive control.

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8. France-Algeria

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